



## **Monthly Metropolitan Foreclosure Report, June 2010**

### **Colorado Department of Local Affairs – Division of Housing**

#### **Introduction**

The Division of Housing now releases monthly data on foreclosure filings and foreclosure sales in metropolitan counties in Colorado. These reports are a supplement to the Division's quarterly statewide foreclosure reports available at the Division's web site: <http://dola.colorado.gov/cdh/>

Foreclosure filings represent the point at which the legal foreclosure process begins. The foreclosure sale represents the point at which the foreclosure process is completed. Since not all filed foreclosures proceed all the way through the foreclosure process, the total number of completed foreclosures in each time period is usually smaller than the total number.

These numbers represent estimates since each filing does not necessarily represent a unique property, and foreclosure totals also include a small number (less than 3% of total) of foreclosed commercial property and vacant land.

The foreclosure sales number approximates the number of unique properties that have been foreclosed with ownership reverting to the lender or passing to a third party.

Foreclosure filings are a useful indicator of future foreclosure sales activity and of recent mortgage delinquency activity.

#### **Findings**

Comparing year-over-year from 2009 to 2010, foreclosure filings in June decreased 21.4 percent with totals falling from 3,451 to 2,712. Compared to June 2008, June 2010 filings were down 16.6 percent falling from 3,250 to 2,712.

June foreclosure sales (completed foreclosures) were up compared to June 2008 and June 2009. Compared to June 2008, foreclosure sales were up 14.8 percent, and were up 34.0 percent compared to June 2009.

These year-over-year increases are due partially to the fact that foreclosure sales totals were artificially low during June of 2008 and 2009. This was the result of public and industry policy decisions that led to a very small number of foreclosure sales during the time periods in question (see Graph 2). However, it should be noted that it is likely that

foreclosure sales totals are also up due to a large number of new foreclosure filings during the third quarter of 2009.

During June 2009, private voluntary moratoria put on foreclosure processing were slowly being phased out and depressed the number of foreclosure sales.

Consequently, by contrast, the foreclosure sales total for June 2010 looks exceedingly high, although this contrast is not necessarily due only to issues related to the moratoria.

For the five-month period including January to June, foreclosure filings decreased 6.0 percent year over year from 2009 to 2010, and fell 12.2 percent from 2008 to 2010. For the same five-month period, foreclosure sales increased 40.1 percent year over year from 2009 to 2010 and increased 20.8 percent from 2008 to 2010. See tables 5 and 6.

Recent movements in foreclosure sales and filings reflect recent overall trends, as monthly sales totals have moved upward and monthly filings totals have fallen in recent months. See graphs 1 and 2 below.

New increases in foreclosure sales reflect elevated activity in new foreclosure filings that occurred during the second and third quarters of 2009. Movements in foreclosure sales reflect movement in foreclosure filings, but lag by six to eight months.

For example, using a three-month moving average to remove monthly volatility, foreclosure filings activity increased significantly between October 2008 and August 2009. Foreclosure filings totals have generally fallen slowly or remained flat since August of 2009.

Foreclosure sales show general growth beginning in April 2009, a lag of eight months behind foreclosure filings activity. This eight-month lag has appeared to hold in recent months as foreclosure sales moderated in April and May following a decline in foreclosure sales that began during September 2009.

### **County Comparisons**

Comparing the six-month period of January to June from 2009 to 2010, Adams, Arapahoe and Denver Counties experienced the largest drops in foreclosure filings with decreases of 25.0 percent, 20.5 percent, 32.5 percent, respectively. The largest increases were in Boulder and Mesa counties where filings increased 13.6 percent and 216.9 percent, respectively.

Measuring changes since 2008, only Mesa and Boulder counties reported filings increases during the period of January-June, compared year over year. Mesa County filings increased 75.1 percent from Jan-June 2008 to Jan-June 2010. Adams, Broomfield, Denver, Larimer, Pueblo and Weld counties all reported decreases of 10 percent or more.

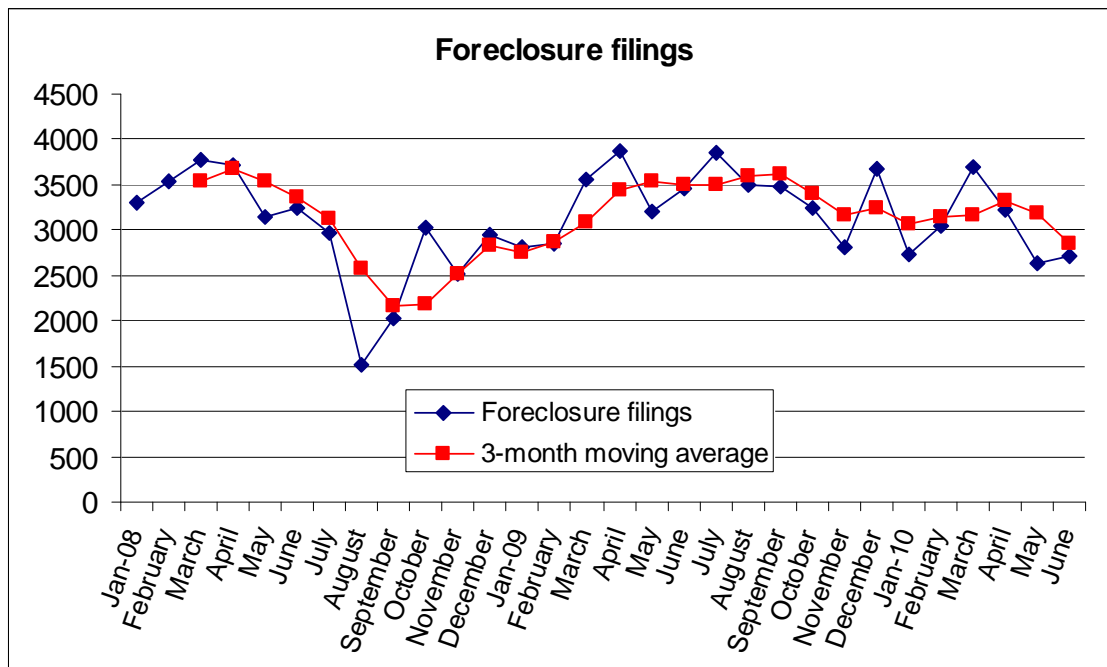
From Jan-June 2009 to Jan-June 2010, foreclosure sales totals rose in all counties surveyed except Adams and Denver counties. From 2008 to 2010, foreclosure sales increased in all counties except Denver County. See Table 6 for complete information.

The county with the highest rate of foreclosure sales was Mesa County with a rate of 584 households per foreclosure sale. Weld County was second with 603 households per foreclosure sale. The lowest rate was found in Boulder County where there were 2,065 households per foreclosure sale. The largest increase in foreclosure rates since 2009 was found in Mesa County where the foreclosure rate increased from 2,640 households per foreclosure in June 2009 to 584 households per foreclosure in June 2010. See Table 7 for comparisons.

### Monthly foreclosure filings totals for metropolitan counties, January 2008- June 2010.

Note that August 2008 shows a sizable drop in total filings. This was due to changes in law that took effect on August 1. House Bill 1402 required a new notice period of 30 days, and this pushed back the execution of foreclosure filings by 30 days on many properties. Although filings increased following the HB 1402 change, new filings generally flattened during the Spring and Summer 2009, and have decreased in recent months.

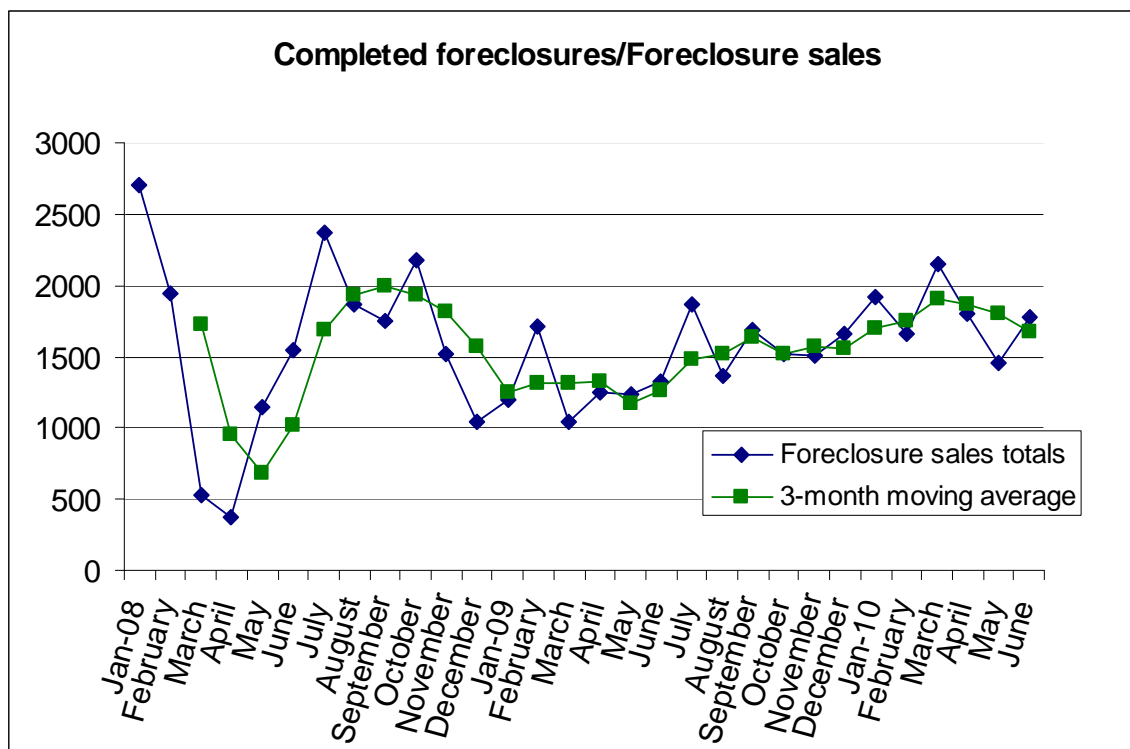
**Graph 1**



## Monthly foreclosure sales totals for metropolitan counties, January 2008- June 2010.

Note that March and April 2008 totals for foreclosure sales were extremely low. This was due to a new foreclosure process time line taking effect on January 1 of 2008. The new time line was structured in such a way that few foreclosures could proceed to sale during March and April 2008. During the first half of 2009, Fannie Mae and Freddie Mac instituted moratoria on finishing pending foreclosures. This temporarily pushed down totals in completed foreclosures during that period. The moving average shows that foreclosure sales generally increased from Spring 2009 to Spring of 2010.

Graph 2



## Comparison tables:

### Month-over-month comparisons (May to June 2010):

**Table 1: Foreclosure filings**

County	May	June	Percent change from previous month
Adams	379	335	-11.6
Arapahoe	410	447	9.0
Boulder	97	96	-1.0
Broomfield	25	25	0.0
Denver	375	340	-9.3
Douglas	136	206	51.5
El Paso	382	350	-8.4
Jefferson	315	279	-11.4
Larimer	129	124	-3.9
Mesa	96	122	27.1
Pueblo	114	144	26.3
Weld	175	244	39.4
Total	<b>2633</b>	<b>2712</b>	<b>3.0</b>

**Table 2: Foreclosure sales**

County	May	June	Percent change from previous month
Adams	196	294	50.0
Arapahoe	227	289	27.3
Boulder	41	56	36.6
Broomfield	10	10	0.0
Denver	209	249	19.1
Douglas	87	118	35.6
El Paso	181	206	13.8
Jefferson	155	182	17.4
Larimer	63	77	22.2
Mesa	90	95	5.6
Pueblo	65	57	-12.3
Weld	135	142	5.2
Total	<b>1459</b>	<b>1775</b>	<b>21.7</b>

**Year-over-year comparisons of June foreclosure activity:**

**Table 3: Foreclosure filings**

County	June 08	June 09	June 10	Percent change over June 2008	Percent change over June 2009
Adams	477	523	335	-29.8	-35.9
Arapahoe	578	535	447	-22.7	-16.4
Boulder	93	114	96	3.2	-15.8
Broomfield	16	40	25	56.3	-37.5
Denver	608	536	340	-44.1	-36.6
Douglas	169	266	206	21.9	-22.6
El Paso	463	356	350	-24.4	-1.7
Jefferson	291	367	279	-4.1	-24.0
Larimer	142	156	124	-12.7	-20.5
Mesa	53	92	122	130.2	32.6
Pueblo	112	160	144	28.6	-10.0
Weld	248	306	244	-1.6	-20.3
<b>Total</b>	<b>3250</b>	<b>3451</b>	<b>2712</b>	<b>-16.6</b>	<b>-21.4</b>

**Table 4: Foreclosure sales**

County	June 08	June 09	June 10	Percent change over June 2008	Percent change over June 2009
Adams	330	232	294	-10.9	26.7
Arapahoe	296	271	289	-2.4	6.6
Boulder	44	41	56	27.3	36.6
Broomfield	7	9	10	42.9	11.1
Denver	480	313	249	-48.1	-20.4
Douglas	88	85	118	34.1	38.8
El Paso	192	225	206	7.3	-8.4
Jefferson	145	122	182	25.5	49.2
Larimer	77	78	77	0.0	-1.3
Mesa	6	21	95	1483.3	352.4
Pueblo	79	61	57	-27.8	-6.6
Weld	132	99	142	7.6	43.4
<b>Total</b>	<b>1546</b>	<b>1325</b>	<b>1775</b>	<b>14.8</b>	<b>34.0</b>

**Year-to-date (January-June) comparisons:**

**Table 5: Foreclosure filings**

County	2008	2009	2010	Percent change since 2008	Percent change since 2009
Adams	3354	2963	2517	-15.1	-25.0
Arapahoe	3513	2937	2793	-4.9	-20.5
Boulder	580	643	659	2.5	13.6
Broomfield	152	178	155	-12.9	2.0
Denver	3780	3153	2550	-19.1	-32.5
Douglas	1235	1279	1228	-4.0	-0.6
El Paso	2531	2655	2420	-8.9	-4.4
Jefferson	2055	1989	1917	-3.6	-6.7
Larimer	920	1036	858	-17.2	-6.7
Mesa	242	438	767	75.1	216.9
Pueblo	745	826	722	-12.6	-3.1
Weld	1594	1664	1456	-12.5	-8.7
Totals	20701	19761	18042	-8.7	-12.8

**Table 6: Foreclosure sales**

County	2008	2009	2010	Percent change since 2008	Percent change since 2009
Adams	1570	1279	1542	20.6	-1.8
Arapahoe	1630	1371	1738	26.8	6.6
Boulder	214	214	345	61.2	61.2
Broomfield	57	51	75	47.1	31.6
Denver	2175	1523	1519	-0.3	-30.2
Douglas	520	485	695	43.3	33.7
El Paso	881	1144	1370	19.8	55.5
Jefferson	769	765	1081	41.3	40.6
Larimer	375	381	485	27.3	29.3
Mesa	42	102	536	425.5	1176.2
Pueblo	374	368	433	17.7	15.8
Weld	715	712	951	33.6	33.0
Totals	9322	8395	10770	28.3	15.5

**Foreclosure sales (completed foreclosure) rates in each county:**

June 2010 rates, on the right, are compared with 2009 rates on the left.

**Table 7:**

County	Jun-09	No. of households per completed foreclosure, 2009	Jun-10	No. of households per completed foreclosure, 2010
Adams	232	643	294	507
Arapahoe	271	795	289	745
Boulder	41	2,821	56	2065
Broomfield	9	2,150	10	1935
Denver	313	823	249	1034
Douglas	85	1,125	118	811
El Paso	225	970	206	1060
Jefferson	122	1,720	182	1153
Larimer	78	1,431	77	1450
Mesa	21	2,640	95	584
Pueblo	61	981	57	1050
Weld	99	864	142	603
Metro total	<b>1557</b>	1,023	<b>1775</b>	898